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C O N F I D E N T I A L KATHMANDU 002962

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TAGS: [PGOV](#) [PTER](#) [MARR](#) [EU](#) [IN](#) [NP](#)
SUBJECT: PRIME MINISTER ANGRY INDIA AND EU COSYING UP TO
MAOISTS

REF: NEW DELHI 7532

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

Summary

1. (C) The Ambassador stressed to Prime Minister Koirala in a meeting November 3 that any arms management agreement with the Maoists had to begin to drain the fear and would thus require substantial domestic and international monitoring. The Ambassador's third point was that the Government of Nepal's policy of waiting until the Maoist combatants were in cantonments to crack down on Maoist extortion and violence was foolish. It deprived the GON of any negotiating leverage with the Communist Party of Nepal (Maoist) and was leading to a withering of the state. The PM and his foreign policy advisor Dr. Chalise gave no indication they planned to change the policy. PM Koirala and Chalise did express displeasure that the Indian Ambassador had met with Maoist Supremo Prachanda three days previously and that Prachanda was being invited to New Delhi. Koirala and his advisor were also very unhappy that the European Union had requested a joint meeting with the PM and the CPN-M leadership during its upcoming troika visit. PM Koirala said he would have Foreign Minister Oli call in European Ambassadors to protest.

Arms Deal Must Diminish the Public's Fear

2. (C) On November 3, the Ambassador took advantage of his first meeting with Prime Minister GP Koirala since the Ambassador's consultations in Washington in early October and visit to New Delhi in late October (reftel) to express the high level of USG concern about where the peace process was headed. The Ambassador made three points. First, with respect to the management of Maoist arms, what mattered were the perceptions of the people of Nepal: Did the proposed formula begin to deprive the Communist Party of Nepal (Maoist) (CPN-M) cadre of the ability to instill fear. Prime

Minister Koirala and Dr. Chalise agreed that it came down to psychology. Would Nepalis feel freer to vote as they saw fit after the deal was struck? Koirala's Foreign Policy Advisor Dr. Chalise said that the GON planned to launch a media campaign to explain what its preferred formula meant. The Ambassador emphasized that the Government had to state publicly the CPN-M was not going to get its weapons back. Otherwise, if Maoist Supremo Prachanda had the only key to the arms, what would keep Maoist cadre from claiming the contrary?

Arms Management Must Have Teeth

13. (C) Management of the weapons of the People's Liberation Army would not be enough to prevent Maoist militia and political cadre from abusing the people in villages, the Ambassador continued. In other words, there had to be effective monitoring in the countryside of any future peace accord and that meant there had to be a price to pay if the Maoists violated their commitments. The Ambassador told PM Koirala that to be credible and effective a monitoring system would require a significant domestic and international presence. It was also crucial that the GON obtain Maoist approval for such an arrangement before the CPN-M joined an interim government. After the Maoists joined, they would have zero incentive to agree to either effective arms management or vigorous monitoring, and the other parties would have no leverage to compel agreement. In this regard, it was also necessary for the GON to ensure, the Ambassador emphasized, that the United Nations had the same understanding of what the consequences would be in the event of a violation. The Prime Minister agreed. (Note:

USAID-contracted peace facilitator Retief Olivier told the Ambassador November 3 that the draft cease-fire agreement currently under consideration by the two sides did not contain strong compliance measures.)

The Time To Crack Down On Maoist Abuses Is Now

14. (C) The Ambassador's final point to the PM was that it made no sense for the GON to continue to defer a crackdown on illegal Maoist activities until the Maoist combatants and arms were in camps under UN monitoring. The GON had in effect backed itself into a corner in the negotiations. The Maoists, the Ambassador pointed out, could stick to their bottom line at no cost: in the face of GON passivity, the Maoists were getting stronger and the government was getting weaker. People were afraid to go to the police: no action would be taken and they might be reported to the Maoists. The Ambassador stressed that he disagreed sharply with the GON's assumption that the people of Nepal would be upset if there was a crackdown on the Maoists. The Maoist actions were indefensible. Chalise said he agreed that the people would support the government but he repeated that there might be negative consequences for the peace process if the GON took harsh action against the CPN-M. Neither he nor the PM gave any indication the GON planned to change its policy.

PM Angry With the Indians

15. (C) The Prime Minister was visibly angry on the subject of the meeting three days previously between Indian Ambassador Shiv Shankar Mukherjee and Maoist Supremo Prachanda. Why, he asked the Ambassador, had Mukherjee met with Prachanda? And why had Prachanda been invited to New Delhi (for the Hindustan Times Leadership Summit November 17-18)? Wasn't the CPN-M still on India's terrorist list? Was the GON considering sending a diplomatic note to the Government of India, the Ambassador asked? At that point, the PM and Chalise explained the note would be leaked and it would disrupt the peace process. Chalise pointed out that he had called in the Indian DCM to express the GON's displeasure. It seemed, Chalise said, that the Government of India (GOI) was angling for the New Delhi visit to serve as some sort of

coming out party for the Maoists. It would give the GOI a chance to recognize a GON-Maoist peace deal.

.. And the EU Too

¶6. (C) Prime Minister Koirala and Chalise also voiced frustration about the EU's contact policy with the Maoists. Specifically, they found it deeply troubling that the Finnish Embassy had requested a joint meeting with the PM and the Maoists during the upcoming visit by the EU troika to Kathmandu. Koirala emphasized that the GON wanted the international community to put pressure on the Maoists to compromise. The EU's high-level contacts were doing the opposite, they were encouraging the CPN-M. The Ambassador explained that some EU countries thought a Maoist victory was inevitable, but not all did. Some European Embassies were not yet meeting with the Maoists. Others were simply taking their cue from the GON which was meeting with the Maoists in spite of their misdeeds. The PM welcomed a suggestion by the Ambassador to have Deputy Prime Minister and Foreign Minister Oli call in European Ambassadors and explain the GON's views. The PM also reiterated his appreciation for the USG's consistency in its policy toward the Maoists.

Comment

¶7. (C) The meeting was by no means confrontational, but the PM Koirala looked increasingly uncomfortable as the session wore on; he appears to understand that the deterioration of law and order is undermining the GON's credibility. That said, we take the PM's point that high-level contacts with the international community are burnishing the Maoists' legitimacy even while they engage in rampant violence.

MORIARTY